



AMERICAN BUSINESS BANK REPORTS RECORD QUARTERLY EARNINGS OF \$13.3 MILLION

Core loans increased by \$69 million or 12% annualized in the quarter

Third Quarter 2022 Highlights

- **Total core loans, excluding PPP loans, increased \$69 million or 3% over prior quarter**
- **Net interest income increased 32%**, excluding accelerated PPP fees, over prior year quarter
- **Net income increased \$1.7 million or 15%** over prior year quarter
- **Total PPP loans outstanding of \$10 million** with \$266 thousand of net deferred processing fees
- **Nonperforming assets to total assets of 0.06%**
- **Non-interest bearing demand deposits** were 54% of total deposits
- **Cost of average deposits of 0.05%**, no change over prior year quarter
- **Continued status as well capitalized**, the highest regulatory standard

Los Angeles, California, October 28, 2022. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$13.3 million or \$1.44 per fully diluted share for the third quarter of 2022 compared to \$11.4 million or \$1.24 per fully diluted share for the second quarter of 2022, an increase of 16%. For the quarter ended September 30, 2022, net income associated with the PPP program was \$251 thousand or \$0.03 per fully diluted share, a decrease of 80% compared to \$1.2 million or \$0.14 per fully diluted share for the second quarter of 2022.

“Our team is pleased to report achieving a 1.39% return on average assets for the third quarter. Core loans grew at a healthy pace of 12% annualized in the quarter with a continued focus on outstanding credit quality. Net interest margin expanded as we continue to benefit from both an improving mix of earning assets and rising rates. The loan pipeline remains strong despite the higher rate environment. Although the cost of deposits remains at historically low levels, there is a need to address rates on interest bearing deposits as the U.S. government drains liquidity from the economy. We continue to deliver superior service to remain the premier relationship-banking franchise for small to mid-size businesses in Southern California,” commented Leon Blankstein, ABB’s President, CEO, and Director.

For the quarter ending September 30, 2022, net interest income was \$32.3 million, an 8% increase over the second quarter of 2022. Interest income on loans increased by \$1.1 million due to core loan growth and higher interest rates as well as interest income on investment securities increased by \$0.9 million. For the quarter ending September 30, 2022, the cost of deposits was 0.05% representing an increase of 0.01% compared to the quarter ending June 30, 2022.

The provision for loan losses was \$0.8 million in the quarter commensurate with core loan growth. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.24% at September 30, 2022.

For the nine months ended September 30, 2022, net income was \$34.6 million or \$3.77 per fully diluted share compared to \$29.5 million or \$3.27 per fully diluted share for the nine months ended September 30, 2021. This was primarily due to an increase in interest on investment securities of \$5.7 million as a result of a larger investment portfolio and an increase in interest on loans of \$4.9 million as a result of core loan

growth. This was partially offset by an increase in the provision for loan losses of \$3.3 million for the nine months ended September 30, 2022 which was higher by \$2.9 million.

Net Interest Margin

Net interest margin for the third quarter of 2022 was 3.40% compared to 3.21% in the second quarter of 2022 and 2.94% in the third quarter of 2021. Excluding the impact of PPP loans, the net interest margin was 3.38% for the third quarter of 2022 compared to 3.06% for the second quarter of 2022 reflecting the higher yield on earning assets. As of September 30, 2022, 63% of the loan portfolio was fixed rate. Of the variable rate loans, approximately half are indexed to prime of which \$388 million are adjustable within 90 days of a change in prime.

Net Interest Income

For the quarter ending September 30, 2022, net interest income increased by \$2.4 million, or 8%, compared to the second quarter of 2022 and increased by \$4.5 million, or 16% compared to the quarter ended September 30, 2021. The increases are a result of the Bank's strong core loan growth, increase in market rates and an increase in the rate on investment securities offset by the decrease in the accelerated realization of net deferred PPP processing fees.

	As of or For the Nine Months Ended:		As of or For the Three Months Ended:		
	September 2022	September 2021	September 2022	June 2022	September 2021
(Figures in \$000s, except per share amounts)					
PPP Total Loans, net	\$ 10,066	\$ 188,305	\$ 10,066	\$ 22,931	\$ 188,305
1% Coupon Interest	\$ 457	\$ 3,669	\$ 35	\$ 145	\$ 738
Amortized fees	278	1,671	25	82	382
Accelerated fees	3,258	10,471	297	1,535	3,580
Total PPP loan income	\$ 3,993	\$ 15,810	\$ 356	\$ 1,762	\$ 4,700
Total PPP loan income after tax	\$ 2,816	\$ 11,151	\$ 251	\$ 1,242	\$ 3,315
Total PPP loan income after tax per share - diluted	\$ 0.31	\$ 1.24	\$ 0.03	\$ 0.14	\$ 0.37

As of October 4, 2022, approximately 99% of PPP loans have been forgiven. Of the remaining PPP loans of which there are seventeen, four are in the forgiveness review or submission process.

On a year-to-date basis, net interest income was \$90.4 million for the nine months ended September 30, 2022, compared to \$79.5 million for the same period a year ago. The increase of \$11 million or 14% is primarily due to additional interest on core loans of \$16.7 million and additional interest on investment securities of \$5.7 offset by an \$11.8 million reduction in PPP loan income.

Non-Interest Income

For the quarter ending September 30, 2022, non-interest income increased compared to the prior quarter primarily due to the increase in the value of Bank/Corporate owned life insurance (COLI). The increase over the same quarter a year ago is primarily related to fees from cash management services. The decrease in non-interest income for the nine months ended September 30, 2022 compared to the same period a year ago is primarily due to the decline in the valuation of COLI policies that are invested in mutual funds.

Non-Interest Expense

For the quarter ending September 30, 2022, total non-interest expense increased \$1.6 million and \$2.3 million compared to the second quarter of 2022 and the third quarter of 2021, respectively. These increases are primarily due to salaries and employee benefits related to additional employees and increase in expense

for the deferred compensation plan associated with the increase in COLI that are invested in mutual funds. The efficiency ratio remained unchanged at 45% for the third quarter of 2022, the prior year quarter and second quarter of 2022.

For the nine months ended September 30, 2022 non-interest expenses increased \$590 thousand or 1% compared to the same period a year ago, mainly due to increases in salaries and employee benefits offset by the decrease in settlement expense related to a legal matter which occurred in the second quarter of 2021.

There were 211 full time equivalent employees at September 30, 2022 compared to 202 a year ago and 205 at June 30, 2022. The Bank has 40 relationship managers in eight offices representing an increase of three from a year ago and a decrease of one from the prior quarter.

Balance Sheet

From June 30, 2022 to September 30, 2022, total core loans, excluding PPP loans, increased \$69 million, or 3%. During the third quarter of 2022, Commercial Real Estate (CRE) loans increased by \$43 million, primarily due to an increase of \$31 million in owner-occupied CRE.

	September 30, 2022	June 30, 2022
(Figures in \$000s)		
RE - Owner Occupied	\$ 959,677	\$ 928,248
RE - Non Owner Occupied	606,291	600,180
Construction & Land	67,833	61,910
Multifamily	9,980	10,157
Total CRE Loans	<u>\$ 1,643,780</u>	<u>\$ 1,600,494</u>

In addition, Residential Real Estate loans increased by \$42 million with the largest component to a long time borrower of the Bank. This was offset by a \$15 million decline in C&I loans during the third quarter of 2022 due to a reduction in line utilization. At September 30, 2022, the utilization rate for the Bank's commercial lines of credit decreased to 30% from 32% at June 30, 2022.

Investment securities decreased during the third quarter to \$1.3 billion. As of September 30, 2022, the duration of the available-for-sale securities portfolio increased to 5.6 years from 5.5 years as of June 30, 2022. Accumulated other comprehensive loss increased to \$84.7 million as of September 30, 2022 from \$67.6 million as of June 30, 2022 due to the increase in net unrealized loss on the available-for-sale securities portfolio as market rates increased.

During the third quarter of 2022, total assets increased \$6 million, or 0.2%, and total deposits increased by \$46 million.

At September 30, 2022, the tangible common equity ratio was 6.2%, as the benefit of third quarter net income was more than offset by a larger Accumulated Other Comprehensive Loss. Loan growth over the last year has increased risk-weighted assets resulting in a decline in risk-based capital ratios, which remain well above regulatory requirements.

Asset Quality

The following table presents asset quality overview as of the dates indicated:

	September 30, 2022	June 30, 2022
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 2,337	\$ 1,208
Loans 90+ Days Past Due and Still Accruing	-	-
Total NPA	\$ 2,337	\$ 1,208
NPA as a % of total assets, excluding PPP	0.06%	0.03%
Past Due as a % of total Loans, excluding PPP	0.00%	0.00%
Criticized as a % of total Loans, excluding PPP	2.33%	2.41%
Classified as a % of total Loans, excluding PPP	0.35%	0.20%

As of September 30, 2022, the Bank had \$54 thousand specific reserve related to three C&I impaired loan relationships. The Bank charged off a consumer credit card loan in the third quarter of 2022.

The following table represents the allowance for loan losses as of and for the dates and periods indicated:

	Three Months Ended		Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
(Figures in \$000s)				
Beginning Balance	\$ 27,608	\$ 26,561	\$ 25,062	\$ 23,341
Charge-offs	(23)	-	(23)	(278)
Recoveries	18	23	54	19
Net (charge-offs) / recoveries	\$ (5)	\$ 23	\$ 31	\$ (259)
Provision	836	1,024	3,346	468
Ending Balance	\$ 28,439	\$ 27,608	\$ 28,439	\$ 23,550
Allowance as a % of total assets, excluding PPP	1.24%	1.24%	1.24%	1.33%

All PPP loans are 100% guaranteed by the SBA and as such, no allowance for loan losses is allocated to these loans. The Bank is required to adopt CECL, or Current Expected Credit Loss, on January 1, 2023. There are no loans on a loan payment deferment program.

ABOUT AMERICAN BUSINESS BANK

American Business Bank, headquartered in downtown Los Angeles, offers a wide range of financial services to the business marketplace. Clients include wholesalers, manufacturers, service businesses, professionals and non-profits. American Business Bank has seven Loan Production Offices in strategic locations including: North Orange County in Anaheim, Orange County in Irvine, South Bay in Torrance, San Fernando Valley in Woodland Hills, Riverside County in Corona, Inland Empire in Ontario and LA Coastal in Long Beach.

FORWARD LOOKING STATEMENTS

This communication contains certain forward-looking information about American Business Bank that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Such statements include future financial and operating results, expectations, intentions and other statements that are not historical facts. Such statements are based on information available at the time of this communication and are based on current beliefs and expectations of the Bank’s management and are subject to significant risks, uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those set forth in the forward-looking statements due to a variety of factors, including various risk factors. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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American Business Bank*Figures in \$000, except share and per share amounts***BALANCE SHEETS (unaudited)**

	September 2022	June 2022	December 2021	September 2021
<u>Assets:</u>				
Cash and Due from Banks	\$ 79,490	\$ 68,512	\$ 33,246	\$ 77,145
Interest Earning Deposits in Other Financial Institutions	13,420	22,277	195,624	301,265
<u>Investment Securities:</u>				
US Agencies	133,686	145,380	185,170	198,886
Mortgage Backed Securities	447,488	479,027	808,496	771,601
State and Municipals	99,441	110,586	231,917	233,630
US Treasuries	-	-	-	-
Corporate Bonds	15,205	13,758	12,903	12,966
Securities Available-for-Sale, at Fair Value	695,820	748,751	1,238,486	1,217,083
Mortgage Backed Securities	193,640	198,021	-	-
State and Municipals	394,929	395,679	298,651	284,166
Securities Held-to-Maturity, at Amortized Cost	588,569	593,700	298,651	284,166
Federal Home Loan Bank Stock, at Cost	15,000	15,000	11,779	11,779
Total Investment Securities	1,299,389	1,357,451	1,548,916	1,513,028
<u>Loans Receivable:</u>				
Commercial Real Estate	1,643,780	1,600,494	1,371,475	1,260,887
Commercial and Industrial	494,681	510,020	444,009	389,683
SBA Payroll Protection Program	10,066	22,931	143,584	188,305
Residential Real Estate	151,514	109,853	112,817	115,349
Installment and Other	5,186	6,103	5,897	4,738
Total Loans Receivable	2,305,227	2,249,401	2,077,782	1,958,962
Allowance for Loan Losses	(28,439)	(27,608)	(25,062)	(23,550)
Loans Receivable, Net	2,276,788	2,221,793	2,052,720	1,935,412
Furniture, Equipment and Leasehold Improvements, Net	5,645	6,025	6,580	6,750
Bank/Corporate Owned Life Insurance	28,282	28,013	28,851	28,543
Other Assets	80,405	73,301	46,339	40,709
Total Assets	\$ 3,783,419	\$ 3,777,372	\$ 3,912,276	\$ 3,902,852
<u>Liabilities:</u>				
Non-Interest Bearing Demand Deposits	\$ 1,894,054	\$ 1,850,325	\$ 1,934,444	\$ 1,919,131
Interest Bearing Transaction Accounts	322,945	287,444	287,224	261,887
Money Market and Savings Deposits	1,249,575	1,284,994	1,337,035	1,371,834
Certificates of Deposit	43,530	41,446	39,445	38,040
Total Deposits	3,510,104	3,464,209	3,598,148	3,590,892
Federal Home Loan Bank Advances / Other Borrowings	-	40,000	-	-
Other Liabilities	37,218	33,785	35,574	38,436
Total Liabilities	\$ 3,547,322	\$ 3,537,994	\$ 3,633,722	\$ 3,629,328
<u>Shareholders' Equity:</u>				
Common Stock	\$ 204,682	\$ 204,057	\$ 202,199	\$ 201,625
Retained Earnings	116,128	102,878	81,521	71,858
Accumulated Other Comprehensive Income / (Loss)	(84,713)	(67,557)	(5,166)	41
Total Shareholders' Equity	\$ 236,097	\$ 239,378	\$ 278,554	\$ 273,524
Total Liabilities and Shareholders' Equity	\$ 3,783,419	\$ 3,777,372	\$ 3,912,276	\$ 3,902,852
Standby Letters of Credit	\$ 42,067	\$ 36,793	\$ 35,891	\$ 33,935
<u>Per Share Information:</u>				
Common Shares Outstanding	8,937,069	8,929,796	8,832,797	8,817,433
Book Value Per Share	\$ 26.42	\$ 26.81	\$ 31.54	\$ 31.02
Tangible Book Value Per Share	\$ 26.42	\$ 26.81	\$ 31.54	\$ 31.02

American Business Bank*Figures in \$000, except share and per share amounts***INCOME STATEMENTS (unaudited)**

	For the three months ended:		
	September 2022	June 2022	September 2021
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 25,134	\$ 23,985	\$ 22,437
Interest on Investment Securities	7,181	6,282	5,711
Interest on Interest Earning Deposits in Other Financial Institutions	467	63	162
Total Interest Income	32,782	30,330	28,310
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	40	31	38
Interest on Money Market and Savings Deposits	383	308	403
Interest on Certificates of Deposits	10	10	11
Interest on Federal Home Loan Bank Advances and Other Borrowings	16	93	-
Total Interest Expense	449	442	452
Net Interest Income	32,333	29,888	27,858
Provision for Loan Losses	836	1,024	468
Net Interest Income after Provision for Loan Losses	31,497	28,864	27,390
<u>Non-Interest Income:</u>			
Deposit Fees	1,056	1,018	895
International Fees	318	378	330
Gain (Loss) on Sale of Investment Securities, Net	24	(97)	-
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	270	(609)	218
Other	461	404	248
Total Non-Interest Income	2,129	1,094	1,691
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	10,854	9,487	9,515
Occupancy and Equipment	1,243	1,113	1,135
Professional Services	1,716	1,744	1,318
Promotion Expenses	618	403	415
Other	1,198	1,273	983
Total Non-Interest Expense	15,629	14,020	13,366
Earnings before income taxes	17,997	15,938	15,715
Income Tax Expense	4,747	4,504	4,190
<u>NET INCOME</u>	\$ 13,250	\$ 11,434	\$ 11,525
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.45	\$ 1.26	\$ 1.31
Earnings Per Share - Diluted	\$ 1.44	\$ 1.24	\$ 1.29
Weighted Average Shares - Basic	9,110,176	9,098,568	8,790,001
Weighted Average Shares - Diluted	9,200,981	9,189,551	8,920,789

American Business Bank*Figures in \$000, except share and per share amounts***INCOME STATEMENTS (unaudited)**

	For the nine months ended:	
	September 2022	September 2021
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 70,928	\$ 66,071
Interest on Investment Securities	20,120	14,459
Interest on Interest Earning Deposits in Other Financial Institutions	610	327
Total Interest Income	91,658	80,857
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	97	119
Interest on Money Market and Savings Deposits	1,013	1,243
Interest on Certificates of Deposits	31	36
Interest on Federal Home Loan Bank Advances and Other Borrowings	108	-
Total Interest Expense	1,249	1,398
Net Interest Income	90,409	79,459
Provision for Loan Losses	3,346	468
Net Interest Income after Provision for Loan Losses	87,063	78,991
<u>Non-Interest Income:</u>		
Deposit Fees	3,035	2,402
International Fees	1,032	853
Gain (Loss) on Sale of Investment Securities, Net	(43)	(15)
Gain on Sale of SBA Loans, Net	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	(569)	805
Other	1,159	642
Total Non-Interest Income	4,614	4,687
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	30,816	29,408
Occupancy and Equipment	3,521	3,432
Professional Services	5,140	4,581
Promotion Expenses	1,341	934
Other	3,536	5,409
Total Non-Interest Expense	44,354	43,764
Earnings before income taxes	47,323	39,914
Income Tax Expense	12,716	10,414
<u>NET INCOME</u>	\$ 34,607	\$ 29,500
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 3.81	\$ 3.32
Earnings Per Share - Diluted	\$ 3.77	\$ 3.27
Weighted Average Shares - Basic	9,083,190	8,891,246
Weighted Average Shares - Diluted	9,185,905	9,016,495

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2022			June 2022		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 78,168	\$ 467	2.37%	\$ 41,523	\$ 63	0.62%
Investment Securities:						
US Agencies	139,525	570	1.63%	157,180	1	0.00%
Mortgage Backed Securities	747,130	3,404	1.82%	775,309	3,054	1.58%
State and Municipals	513,082	2,840	2.21%	519,137	2,870	2.21%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	14,424	142	3.93%	14,250	132	3.71%
Securities Available-for-Sale and Held-to-Maturity	1,414,161	6,956	1.97%	1,465,876	6,057	1.65%
Federal Home Loan Bank Stock	15,000	225	6.00%	14,363	225	6.27%
Total Investment Securities	1,429,161	7,181	2.01%	1,480,239	6,282	1.70%
Loans Receivable:						
Commercial Real Estate	1,609,616	16,938	4.17%	1,540,228	15,715	4.09%
Commercial and Industrial	493,273	6,112	4.92%	506,220	5,371	4.26%
SBA Payroll Protection Program	13,580	356	10.40%	57,428	1,762	12.31%
Residential Real Estate	138,437	1,678	4.81%	106,847	1,092	4.10%
Installment and Other	6,694	50	2.99%	7,024	45	2.55%
Total Loans Receivable	2,261,600	25,134	4.41%	2,217,747	23,985	4.34%
Total Interest Earning Assets	\$ 3,768,929	\$ 32,782	3.40%	\$ 3,739,509	\$ 30,330	3.21%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,942,800	-	0.00%	1,902,386	-	0.00%
Interest Bearing Transaction Accounts	307,736	40	0.05%	278,539	31	0.04%
Money Market and Savings Deposits	1,237,809	383	0.12%	1,254,257	308	0.10%
Certificates of Deposit	42,396	10	0.10%	41,303	10	0.10%
Total Deposits	3,530,741	433	0.05%	3,476,485	349	0.04%
Federal Home Loan Bank Advances / Other Borrowings	2,609	16	2.37%	46,473	93	0.80%
Total Interest Bearing Deposits and Borrowings	1,590,550	449	0.11%	1,620,572	442	0.11%
Total Deposits and Borrowings	\$ 3,533,350	\$ 449	0.05%	\$ 3,522,958	\$ 442	0.05%
Net Interest Income	\$ 32,333			\$ 29,888		
Net Interest Rate Spread			3.35%			3.16%
Net Interest Margin			3.40%			3.21%
Net Interest Margin, excluding SBA PPP			3.38%			3.06%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2022			September 2021		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 78,168	\$ 467	2.37%	\$ 404,686	\$ 162	0.16%
Investment Securities:						
US Agencies	139,525	570	1.63%	205,251	341	0.66%
Mortgage Backed Securities	747,130	3,404	1.82%	646,607	2,514	1.56%
State and Municipals	513,082	2,840	2.21%	481,594	2,561	2.13%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	14,424	142	3.93%	11,395	118	4.15%
Securities Available-for-Sale and Held-to-Maturity	1,414,161	6,956	1.97%	1,344,847	5,534	1.65%
Federal Home Loan Bank Stock	15,000	225	6.00%	11,779	177	6.01%
Total Investment Securities	1,429,161	7,181	2.01%	1,356,626	5,711	1.68%
Loans Receivable:						
Commercial Real Estate	1,609,616	16,938	4.17%	1,219,958	12,672	4.12%
Commercial and Industrial	493,273	6,112	4.92%	379,774	3,979	4.16%
SBA Payroll Protection Program	13,580	356	10.40%	287,736	4,700	6.48%
Residential Real Estate	138,437	1,678	4.81%	109,682	1,034	3.74%
Installment and Other	6,694	50	2.99%	5,063	52	4.09%
Total Loans Receivable	2,261,600	25,134	4.41%	2,002,213	22,437	4.45%
Total Interest Earning Assets	\$ 3,768,929	\$ 32,782	3.40%	\$ 3,763,525	\$ 28,310	2.94%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,942,800	-	0.00%	1,956,996	-	0.00%
Interest Bearing Transaction Accounts	307,736	40	0.05%	261,017	38	0.06%
Money Market and Savings Deposits	1,237,809	383	0.12%	1,323,828	403	0.12%
Certificates of Deposit	42,396	10	0.10%	36,425	11	0.12%
Total Deposits	3,530,741	433	0.05%	3,578,266	452	0.05%
Federal Home Loan Bank Advances / Other Borrowings	2,609	16	2.37%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,590,550	449	0.11%	1,621,270	452	0.11%
Total Deposits and Borrowings	\$ 3,533,350	\$ 449	0.05%	\$ 3,578,266	\$ 452	0.05%
Net Interest Income	\$ 32,333			\$ 27,858		
Net Interest Rate Spread			3.35%			2.89%
Net Interest Margin			3.40%			2.94%
Net Interest Margin, excluding SBA PPP			3.38%			2.64%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the nine months ended:					
	September 2022			September 2021		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 93,909	\$ 610	0.87%	\$ 317,484	\$ 327	0.14%
Investment Securities:						
US Agencies	157,790	661	0.56%	215,440	1,131	0.70%
Mortgage Backed Securities	775,707	9,820	1.69%	504,787	5,308	1.40%
State and Municipals	518,645	8,623	2.22%	444,236	7,223	2.17%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	13,897	386	3.71%	10,588	282	3.56%
Securities Available-for-Sale and Held-to-Maturity	1,466,039	19,490	1.77%	1,175,051	13,944	1.58%
Federal Home Loan Bank Stock	13,726	630	6.12%	11,427	515	6.01%
Total Investment Securities	1,479,765	20,120	1.81%	1,186,478	14,459	1.62%
Loans Receivable:						
Commercial Real Estate	1,523,630	46,837	4.11%	1,163,444	36,090	4.15%
Commercial and Industrial	488,401	16,173	4.43%	350,385	11,361	4.34%
SBA Payroll Protection Program	60,100	3,993	8.88%	483,059	15,810	4.38%
Residential Real Estate	118,453	3,781	4.27%	93,730	2,682	3.83%
Installment and Other	6,821	144	2.83%	5,211	128	3.29%
Total Loans Receivable	2,197,405	70,928	4.32%	2,095,829	66,071	4.21%
Total Interest Earning Assets	\$ 3,771,079	\$ 91,658	3.21%	\$ 3,599,791	\$ 80,857	2.96%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,943,140	-	0.00%	1,854,013	-	0.00%
Interest Bearing Transaction Accounts	287,208	97	0.05%	261,329	119	0.06%
Money Market and Savings Deposits	1,264,963	1,013	0.11%	1,275,594	1,243	0.13%
Certificates of Deposit	41,331	31	0.10%	35,251	36	0.14%
Total Deposits	3,536,642	1,141	0.04%	3,426,187	1,398	0.05%
Federal Home Loan Bank Advances / Other Borrowings	16,370	108	0.88%	2	-	0.37%
Total Interest Bearing Deposits and Borrowings	1,609,872	1,249	0.10%	1,572,176	1,398	0.12%
Total Deposits and Borrowings	\$ 3,553,011	\$ 1,249	0.05%	\$ 3,426,189	\$ 1,398	0.05%
Net Interest Income	\$ 90,409			\$ 79,459		
Net Interest Rate Spread	3.16%			2.91%		
Net Interest Margin	3.21%			2.95%		
Net Interest Margin, excluding SBA PPP	3.11%			2.73%		

American Business Bank
Figures in \$000
SUPPLEMENTAL DATA (unaudited)
Performance Ratios:
Quarterly:

	September 2022	June 2022	December 2021	September 2021
Return on Average Assets (ROAA)	1.39%	1.20%	0.97%	1.19%
Return on Average Equity (ROAE)	21.22%	18.56%	14.17%	17.02%
Efficiency Ratio	45.38%	45.11%	51.10%	45.23%

Year-to-Date

Return on Average Assets (ROAA)	1.20%	1.11%	1.03%	1.06%
Return on Average Equity (ROAE)	17.98%	16.42%	14.95%	15.22%
Efficiency Ratio	46.66%	47.38%	51.77%	52.00%

Capital Adequacy:

Total Risk Based Capital Ratio	12.39%	12.66%	13.21%	13.74%
Common Equity Tier 1 Capital Ratio	11.35%	11.58%	12.09%	12.59%
Tier 1 Risk Based Capital Ratio	11.35%	11.58%	12.09%	12.59%
Tier 1 Leverage Ratio	8.40%	8.07%	7.09%	7.04%
Tangible Common Equity / Tangible Assets	6.24%	6.34%	7.12%	7.01%

Asset Quality Overview

Non-Performing Loans	\$ 2,337	\$ 1,208	\$ 338	\$ 349
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	2,337	1,208	338	349
Restructured Loans	-	-	-	-
Other Real Estate Owned	-	-	-	-
ALLL / Loans Receivable	1.23%	1.23%	1.21%	1.20%
Non-Performing Loans / Total Loans Receivable *	0.10%	0.05%	0.02%	0.02%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.10%	0.05%	0.02%	0.02%
Non-Performing Assets / Total Assets *	0.06%	0.03%	0.01%	0.01%
Non-Performing Assets / Total Assets *, excluding PPP **	0.06%	0.03%	0.01%	0.01%
Net Charge-Offs (Recoveries) quarterly	\$ 5	\$ (23)	\$ (27)	\$ 260
Net Charge-Offs (Recoveries) year-to-date	\$ (31)	\$ (37)	\$ (178)	\$ (151)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.00%)	(0.00%)	(0.01%)	(0.01%)

* Includes non-accrual loans, accruing loans past due 90+ days and Troubled Debt Restructurings (TDRs).

** SBA Paycheck Protection Program (PPP)